

QUARTERLY REPORT

November 17th, 2006 to January 31st 2007

Project Title

*Montana Department of Transportation (MDT)
Business Market Analysis*

Consulting Team

Principal Investigator

Rick L'Heureux

Principal Researcher

Kathie Frank

Graphic Artist

George Darcy

Administrative Support

Emily Taflan

Introduction

New West Strategies, Inc. was awarded a contract on November 7th 2006. The purpose of the contract is to assist the Montana Department of Transportation, in cooperation with the Disadvantaged Business Enterprise (DBE) office, with a study of their educational and contractor outreach programs. As part of their continuous process improvement efforts, this study will be used by MDT to refine its educational and outreach programs; which in turn (it is hoped) will raise the level and quality of contractor participation in MDT sponsored projects.

The contract describes seven specific tasks to be accomplished over the next year. Those tasks begin with a study of current MDT efforts to promote and encourage contractor participation and end with the development of an outreach strategy that will result in greater contractor participation in MDT projects. As proposed, New West Strategies will solicit feedback from both the internal and external community. Based on the information gathered, New West will develop or refine existing educational and outreach programs. Further, New West will complete a P.E.S.T and S.W.O.T analysis to assess environmental factors, internal capacity issues, and potential opportunities that may influence the design of future outreach programs.

Per the contract, the schedule for the project will run approximately 12 months and will bridge two fiscal years. A schedule of performance and project budget was incorporated into the contract. This report will provide the MDT project manager with a report of activity consistent with those performance requirements. Any questions concerning progress and/or performance should be submitted to New West's principal investigator (Dr. Rick L'Heureux) at 495-8111.

Project Objective (s)

The primary objective of this research project is to evaluate MDT's current contractor support service process to determine what changes (if any) can be made to improve the quantity and quality of contractor participation in MDT projects. This study will generate recommendations for process improvements, to include: process efficiencies improvements; MDT acquisition process improvements, external marketing process improvements; and stakeholder education process improvements. Specific project objectives include:

- Critically assess MTD administrative and acquisition process to determine how well they support the specific needs of MTD, the State, and the supporting contractor community
- Critically assess MDT's internal and external communication dynamics to determine how well they facilitate the efficient performance of MTD projects
- Identifying acquisition and project management processes that would improve the level and quality of in-state contractor participation in MTD projects.
- Critically assess MTD's current contractor education programs to determine the effectiveness of these programs for improving potential contractor participation in MTD contracting opportunities.
- Based on the assessment above, develop recommendations for making improvements to contractor education programs and marketing materials that will improve contractor participation in MTD projects.

Work Progress

Work completed during the past quarter focused primarily on activities outlined in Tasks 3.1.1 through 3.1.10 and 3.2. (Reference Attachment 1: MDT Business Analysis Work Breakdown Structure (MDT WBS).

A summary of each activity performed, along with percentage of work completed by task during the past quarter, follows:

- **Task 3.1 – Kickoff Meeting, Literature Review, Enforcement/Compliance Activities**

- 3.1.1.1: Kickoff meeting
- 3.1.1.2: Formative assessment model
- 3.1.1.3: Research survey instruments
- 3.1.1.4: Began research of MDT project activity
- 3.1.1.5: Mid-task meeting
- 3.1.1.6: MDT interviews (60% complete)
- 3.1.1.7: MDT Website evaluation (2 – non-expert tests complete)
- 3.1.1.8: Review government support sites (80%) complete
- 3.1.1.9: Survey research summary
- 3.1.1.10: Draft Survey (90% complete)

Task 1 represents 19.36% of both the total work effort and budget.

- **Task 2 – Assessment of Opportunities**

- 3.1.2.1: Prepare analysis methodology (25% complete)
- 3.1.2.2: Data Collection (20% complete)

Task 2 represents 17.04% of both the total work effort and budget.

- **Task 3 – Data Collection on work types (current contractors); market assessment; evaluation of project requirements.**

- 3.1.3.1: Begin analytical design (10% complete)
- 3.1.3.2: Data collection (10% complete)

Task 3 represents 12.15% of both the total work effort and budget.

- **Task 4 – Evaluation of Barriers to Entry and other participation obstacles**

No work was performed on Task 4 during this past quarter.

Task 4 represents 12.15% of both the total work effort and budget.

- **Task 5 – Develop Contractor Assistance Checklist for Submissions and Compliance as it relates to MDT projects**

No work was performed on Task 5 during the past quarter.

Task 5 represents 7.98% of both the total work effort and budget.

- **Task 6 – Create new and/or improved tools for recruiting and educating potential DBE companies as well as other new entrants into the MDT provider pool**

No work was performed on Task 6 during the past quarter.

Task 6 represents 15.19% of both the total work effort and budget.

- **Task 7 – Develop marketing and education information management strategy that: 1) address material creation and maintenance; 2) tracks distribution of materials; and 3) includes an effectiveness assessment tool to determine the relative impact of these materials on levels of participation.**

No work was performed on Task 7 during the past quarter.

Task 7 represents 16.14% of both the total work effort and budget.

Issues

Based on initial discussions and preliminary research, there appear to be several issues that will have to be addressed to secure good internal and external community feedback.

- a) Identification of internal and external populations. This is where the panel helped the NWS study team. The panel has provided us with a list of contractors active in MDT projects. Further, they have provided the NWS team with a list of MDT employees with direct contact with contractors. This assistance made it possible for NWS to create an effective sample design.
- b) Developing survey methodologies that would provide the optimal feedback from the population of interest. NWS has researched relevant research methodologies to include questionnaires (both paper and electronic); interview techniques, and participant testing. Based on that research, we have adopted a mixed-approach design: survey instrument; structured interviews; and participant testing. The survey draft was submitted to MDT for review; and, the review comments have been integrated. The final document is being formatted and will be provided to the MDT panel for one last review before mailing. NWS will assign numbers to the contractors provided and use random number generation to select the sample. Sample size statistical analysis suggests a survey of approximately 100 contractors will provide optimal statistical power; therefore, NWS will attempt to collect 100 valid and complete survey responses as the basis for analysis.
- c) There was some concern expressed in the development of the survey instrument. Some panel members were concerned that the survey instrument appeared to be targeting only DBE contractors. NWS made a change to the survey instruction sheet and cover letter in order to all contractor groups to participate. We also removed reference to DBE's sponsorship in order to improve the generic appearance of the survey instrument.

Major Accomplishments or Discoveries

- 2 Meetings with MDT panel
- Completed survey design research
- Completed two participant tests
- Draft Survey
- Completed 5 MTD interviews

Work Projection

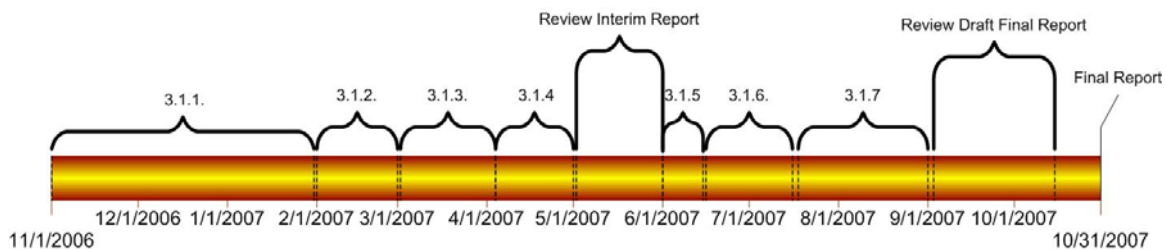
During the next quarter ending April 30, 2007 we plan to perform the following activities:

- Complete P.E.S.T. analysis (E)
- Complete S.W.O.T.
- Complete Task 1, 2, and 3.

Schedule

The study is on or slight ahead of the proposed schedule. We have nearly completed Task 1 (Initial research is complete and the survey is in final review). We have begun the research and design specified in Tasks 2 and 3. All tasks will be completed within or ahead of the time scheduled.

Figure 1. Project Schedule

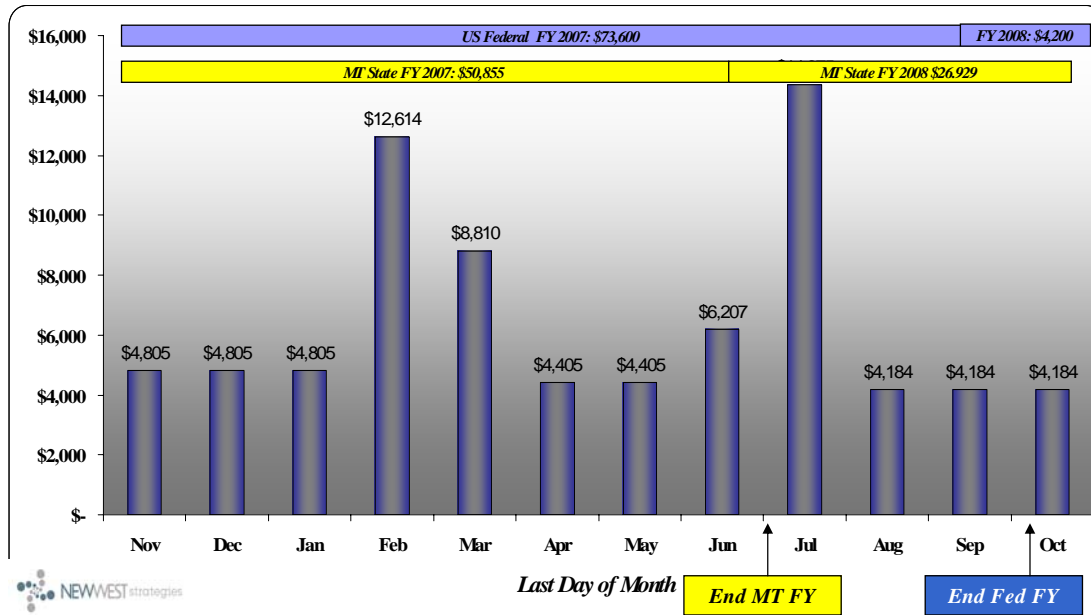


Budget

The project budget identified roughly **\$15,521.60** for the first quarter of the research plan and **\$8,777.49** has been expended with an additional \$6,022.50 to be invoiced at the end of this quarter. The total budget through the first quarter of the research plan totals \$14,799.90. To date, the research team has expended roughly **19% of budget here** of the total amount budgeted (Figure 2).

Table 1: Budget Summary

Project Budget: *Bill Rate By Month*



Budgeted and Projected Expenditures – State Years (SFY) 2007 and 2008. Federal Fiscal Year (FFY) 2007

Table 1 presents an analysis of the project budget, including the total project budget, total invoiced through December 31, 2006, the remainder of the project budget, total expenditures through SFY and FFY 2007 and projected expenditures through SFY 2008. Costs for Tasks 1-4 will be incurred in the State of Montana's FY 07 (July 1, 2006 – June 30, 2007). Costs for Tasks 5-7 will carry into the State of Montana's FY 08 (July 1, 2007 – June 30, 2008.) As shown, to date **11.3%** (with another **7.7%** to be billed on January 31, 2007) has been expended of the budget for the entire project, leaving a remaining balance of **81% after the January expenditure**. The remaining budget is sufficient to complete the remaining subtask and task work complete.

Attachment

MDT Project – Work Breakdown Structure

WBS			Task	Lead	Due Date
3.1.			<i>Project 8187 – DOT Study</i>	<i>Rick/Kathie/Emily/George</i>	<i>August 2007</i>
	3.1.1		Complete background study, literature review	Rick/Kathie/George/Emily	Feb 2007
		3.1.1.1	Kick off meeting	Rick/Kathie/George	Nov 14, 2006
		3.1.1.2	Prepare Formative Assessment module	Rick	Dec 1, 2006
		3.1.1.3.	Research Survey Instruments	Kathie/Emily	Dec 15, 2006
		3.1.1.4.	Research MDT Project Activity	Kathie	Dec 22, 2007
		3.1.1.5.	Mid-activity meeting	Rick/Kathie/Emily	Dec 20, 2006
		3.1.1.6.	Meet with MDT representatives to discuss process	Kathie/Emily	Jan 15, 2007 (requires MDT assistance)
		3.1.1.7.	MDT Site Assessment (New site visitor)	Emily	Jan 5, 2007
		3.1.1.8	Audit SBA, FBO, FirstGov, DOT, DOT	Emily	Jan 8, 2007
		3.1.1.9	Summary Report on Survey instruments	Kathie/Emily	Jan 8, 2007
		3.1.1.10	Draft Survey	Rick	Jan 15, 2007
	3.1.2		Analysis of Opportunities	Rick/Kathie/George/Emily	Feb 28, 2007
		3.1.2.1	Prepare analysis methodology (Descriptive)	Rick	Feb 15, 2007
		3.1.2.2	Data Collection (See 3.1.1.4)	Rick/Kathie	Feb 21, 2007

WBS	Task	Lead	Due Date
3.1.2.3	Analysis of Data	Rick	Feb 22, 2007
3.1.2.4	Interim Summary Report	Rick/Emily	Feb 22, 2007
3.1.3	Analysis of Work Types & Competition Analysis	Rick/Kathie/George/Emily	March 31, 2007
3.1.3.1	Prepare analysis methodology (Descriptive)	Rick	Feb 10, 2007
3.1.3.2	Data Collection (See 3.1.1.4)	Rick/Kathie	Feb 17, 2007
3.1.3.3	Analysis of Data	Rick	Feb 22, 2007
3.1.3.4	Interim Summary Report	Rick/Emily	Feb 22, 2007
3.1.4	Analysis of Barriers to Entry/Participation	Rick/Kathie/Emily	April 30, 2007
3.1.4.1	Prepare analysis methodology (Descriptive)	Rick	March 10, 2007
3.1.4.2	Data Collection (See 3.1.1.4)	Rick/Kathie	March 17, 2007
3.1.4.3	Analysis of Data	Rick	March 22, 2007
3.1.4.4	Interim Summary Report	Rick/Emily	March 22, 2007
3.1.5	Develop a checklist for contractors to improve chances of success	Rick/Kathie/George/Emily	May 31, 2007
3.1.5.1.	Draft checklist	Rick	May 1, 2007
3.1.5.2.	Solicit feedback from MDT panel	Rick/Kathie	May 7, 2007
3.1.5.3.	Integrate MDT feedback and finalize content	Rick	May 15, 2007
3.1.5.4	Format and complete graphics work	George	August 1, 2007

WBS	Task	Lead	Due Date
3.1.6.	Develop educational tools to assist current and potential DBE companies wishing to participate in MDT projects	Rick/Kathie/George/Emily	Jun 30, 2007
3.1.6.1.	Research comparable educational materials	Kathie	June 1-15, 2007
3.1.6.2.	Select most promising tools	Rick	June 15, 2007
3.1.6.3.	Draft educational tool content	Rick	July 1, 2007
3.1.6.4.	Test group review of materials	Rick/Kathie	July 15, 2007
3.1.6.5.	Format and complete graphics work	George	August 1, 2007
3.1.7	Develop a public information/education strategy that will effectively (measurably) increase contractor participation in MDT projects	Rick/Kathie/George/Emily	August, 2007 (Subject to MDT approval)
3.1.7.1.	Research public education strategies	Kathie	June 30, 2007
3.1.7.2.	Research performance metrics for educational material	Rick/Kathie	July 7, 2007
3.1.7.3.	Develop educational material	Rick	July 15, 2007
3.1.7.4.	Develop evaluation methodology	Rick	July 31, 2007
3.1.5.1.	Finish strategy	Rick	August 1, 2007
3.1.5.2.	Format and complete graphics work	George	August 1, 2007